



California Fair Political Practices Commission

February 6, 1990

Burt Pines
Alschuler, Grossman & Pines
1880 Century Park East, 12th Floor
Los Angeles, CA 90067-1694

Re: Your Request for Confirmation of
Telephone Advice
Our File No. I-89-703

Dear Mr. Pines:

We have received your letter dated January 5, 1990 seeking written confirmation of the telephone advice previously provided to you by this agency regarding the campaign contributions provisions of the Political Reform Act ("the Act")¹ as applied to political contributions made by your law firm.

Based on the facts you provided in your telephone inquiry and reiterated in your letter,² your letter accurately reflects the advice given to you. This advice is limited to questions concerning contributions to candidates because the Act does not restrict contributions in support of or opposition to ballot measures.

We advised that: (a) the law firm and its partners are distinct, enabling both the firm and an individual partner to make maximum allowable contributions to the same candidate; (b) the

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

² The law firm is a partnership with twenty partners. Each partner has a different percentage interest in the firm's assets and profits, with no one partner's share exceeding fifteen percent. No single partner is authorized to direct the firm's campaign contributions; instead, the partners have designated a committee of four partners to make contributions decisions. The combined interests of the four partners serving on this committee is less than fifty percent of the firm's assets and profits, and the partnership reserves the authority to overrule the contributions decisions of the committee.

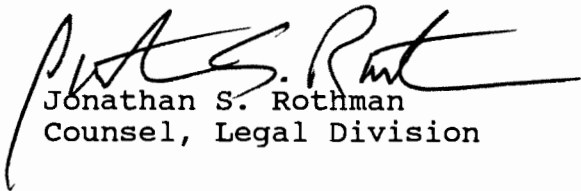
firm's and an individual partner's contributions to the same candidate do not require aggregation for reporting purposes; and (c) aggregation was not necessary where a partner's individual contribution is simply solicited by another partner or by a member of the partners' committee.

I have enclosed for your reference copies of a Commission opinion, In re Lumsdon (1976) 2 FPPC Ops. 140, and a recent advice letter (Recht Advice Letter, I-89-571). In Lumsdon, the Commission found cumulation was required of the contributions of a corporation with those of the corporation's majority shareholder. In Recht, we concluded that cumulation was not required when the partnership's contributions were not directed and controlled by one individual.

I trust this letter has provided you with the guidance you requested. If you have any further questions regarding this matter, please contact me at (916) 322-5901.

Sincerely,

Kathryn E. Donovan
General Counsel

By:  Jonathan S. Rothman
Counsel, Legal Division

KED:JSR:plh

Enclosures

DRAFT

December 21, 1989

9120

John W. Rothman, Esq.
Legal Division
Fair Political Practices Commission
428 J Street
Sacramento, California 95814

Re: Aggregation of Contributions Made by Law Firm and
Individual Partners

Dear Mr. Rothman:

This will confirm the advice you provided to me in response to my telephone inquiry earlier this month. The issue I presented is whether political contributions made by our law firm can be considered separate and apart from political contributions made by individual partners, or whether such contributions must be aggregated under the Political Reform Act ("Act").

As I mentioned to you, our law firm is a partnership in which there are twenty partners. The partners are either individual attorneys or professional corporations (indicated by an asterisk on our letterhead). The partners have differing percentage interests in the assets and profits of the firm,

John W. Rothman, Esq.
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although no one partner has a percentage interest above fifteen percent.

No one individual has the power to direct political contributions made by the firm. The partnership has delegated the responsibility for political contributions to a committee of four partners ("Committee"). This Committee acts on behalf of the entire partnership. Although the Committee's decisions have generally been accepted by the partnership, the partnership has always reserved the right to overrule the Committee's decisions. The combined interests of the Committee members in the assets and profits of the firm is under fifty percent.

I presented a number of questions, all relating to whether, under the Act, the firm can be treated as distinct from the partners:

1. If the firm makes the maximum allowable contribution to a candidate or measure, is an individual partner thereby precluded from making a contribution to the candidate or measure?

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December 21, 1989
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2. In the foregoing situation, does it make any difference if the request for an individual contribution comes from a member of the Committee?

3. If the firm makes a contribution to a candidate or measure and a partner makes a contribution to the same candidate or measure, must the contributions be aggregated for reporting purposes?

Based on the information I presented, your answer to each of the foregoing questions was "No." You advised that the firm's contributions would be treated separate from the individual partner contributions and that they need not be aggregated or cumulated under the Act.

Would you kindly confirm the foregoing by either signing the copy of this letter in the space indicated below and returning it to me or by sending me a separate letter.

Thank you again for your assistance.

Sincerely yours,

Burt Pines

BP:ds

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The foregoing is correct.

John W. Rothman, Esq.



California Fair Political Practices Commission

December 22, 1989

Burt Pines
Alschuler, Grossman & Pines
1880 Century Park East, 12th Floor
Los Angeles, CA 90067

Re: Letter No. 89-703

Dear Mr. Pines:

We received your letter requesting confirmation of advice under the Political Reform Act on December 21, 1989. Your letter has been assigned to Jonathan Rothman for response. If you have any questions, you may contact him directly at (916) 322-5901.

If the letter is appropriate for confirmation without further analysis, we will attempt to expedite our response. A confirming response will be released after it has gone through our approval process. If the letter is not appropriate for this treatment, the staff person assigned to prepare the response will contact you shortly to advise you. In such cases, the normal analysis, review and approval process will be followed.

You should be aware that your letter and our response are public records which may be disclosed to any interested person upon receipt of a proper request for disclosure.

Sincerely,

Kathryn E. Donovan
Kathryn E. Donovan
General Counsel

KED:plh:confadv1

LAW OFFICES OF
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TELEPHONE TRANSMISSION COVER SHEET

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October 21, 1989

of the
after

OPERATOR USE ONLY

Sent by: _____

Time: _____

Confirmed by: _____